

Economic Diversification & Building Capacity for Recovery

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Resilience in Disaster Planning

Because we know that recovery after natural and manmade disasters can set you back years...

Economic resilience programs are long-term efforts that seek to bolster a community's ability to withstand or avoid shocks



Resilience leadership

- Good planning should define your community's risks and vision for economic resilience
- As leaders you can make “resilience thinking” a core value in your community



Economic diversification

- The loss of a major business or industry can collapse economies, especially in small communities, such as:
 - Loss of manufacturing in some communities
 - Closure of mines in coal communities
 - Loss of tourism whenever there's a natural disaster
 - Base closure or realignment
- Resilience strategy should include efforts to **diversify industries**
- GOAL: When one industry is down, others can carry you



Why diversification matters – a few examples



What are some ways to diversify industries?

- While there's no silver bullet, a focus on diversification can help
 - Promote target industries that match community strengths
 - Support entrepreneurs. Investing in entrepreneurship increases the likelihood that new companies will emerge
 - Study what industries are growing and declining so you're fully aware of and can support positive trends, minimize risks
 - Maximize available assets – work with other counties and small cities



Industry diversification example: Southwest Virginia



- Southwest Virginia is rapidly losing its coal industry
- 19 counties and 5 small cities did strategic planning to build outdoor recreation tourism
- “Appalachian Spring” initiative convened people to identify assets for tourism and jointly plan infrastructure improvements
- Also looked at arts and music as compatible assets
- Leveraging assets by joining together, the region has been successful at getting more federal grants.



What are some other initiatives that can boost resilience?

- Business retention and expansion programs that are designed to facilitate recovery in the event of a disaster
- Study resilience best practices for key industries that are already in your region
- Train workers for resiliency – i.e. with ability to shift between industries when core employment is threatened



Examples -



- Promote business continuity/preparedness to ensure that businesses know their vulnerabilities
- Encourage small businesses to have insurance
- Employ safe development practices such as locating structures outside of floodplains and preserving natural buffers
- Understand available financial resources to help businesses in the event of a disaster





Strategic Planning for Disaster Recovery



Strategic Planning for Disaster Recovery

Why you need a plan:

- Increase the speed of recovery
- Avoid overlap by defining roles
- Determine gaps and vulnerabilities

*Pre-disaster planning is far easier to do than
post-disaster planning*



Strategic Planning for Disaster Recovery

- Economic development organizations (EDOs), industry associations, and chambers of commerce should be part of planning
- Through established connections with local businesses, these organizations can coordinate involvement and leverage resources. They are the logical parties to lead recovery efforts.



Action Steps for Pre-Disaster Strategic Planning

Step 1: Determine & appoint the lead organization

Responsibilities include:

- Galvanizing wide-ranging support from all stakeholders, particularly the business community
- Aligning resources
- Facilitating interaction



Pre-Disaster Strategic Planning

Step 2: Identify stakeholders and hold kickoff meeting

- Representatives from the public, private, and nonprofit sectors
 - Ensure private-sector representatives are inclusive of all industries
- Regional and state representatives



Pre-Disaster Strategic Planning

Appoint ownership to stakeholder groups

- Assigned responsibilities should correspond with their skills
- Ensure the group understands planning goals and decision making process
- Evaluate pre-existing planning efforts



Pre-Disaster Strategic Planning

Step 3: Evaluate how a disaster could affect the local economy

An inventory of current assets and economic drivers will help define local dynamics and identify possible recovery resources.

Make sure you talk with businesses about how prepared they are and where they feel they are vulnerable.



Pre-Disaster Strategic Planning

Evaluate how a disaster could affect the local economy

Look at:

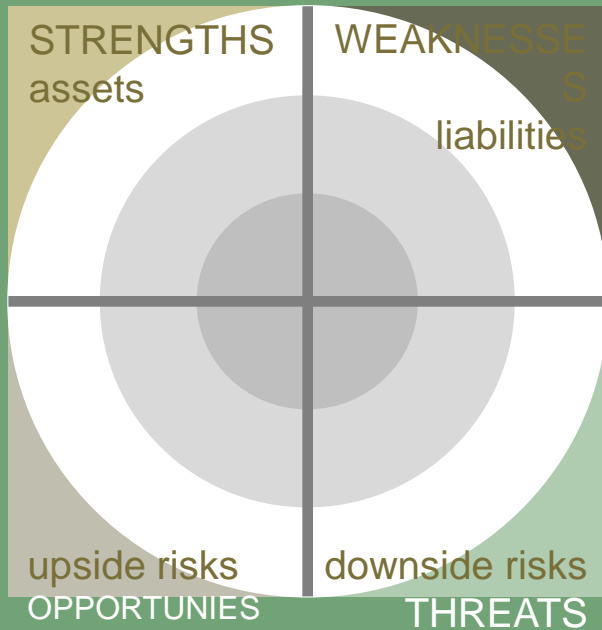
- Key industries/clusters
- Key employers and their location
- Worker issues
- Regulatory changes
- Single industry communities



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Pre-Disaster Strategic Planning



Evaluate how a disaster could affect the local economy (cont.)

- Buildings and infrastructure of economic importance
- SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis
- Current and future land use and infrastructure development projects
- Local policy framework (e.g., building codes, local and state incentives, regulations, environmental mitigation policy, etc.)



Pre-Disaster Strategic Planning



Analyze where you may be vulnerable

- Many existing problems are magnified after a disaster
- Identify what businesses and geographic areas are most vulnerable



Pre-Disaster Strategic Planning

Conduct scenario planning for community redevelopment

- What potential disasters could the community face?
- What current gaps would inhibit recovery?
- How prepared is the business community?



Pre-Disaster Strategic Planning

Identify risk factors by leading business community through scenario exercises:

- Are businesses likely to relocate following a disaster?
- What is the local capacity to respond to business needs?
- Are critical employers and anchors located in vulnerable areas?
- How will the image of the community be affected by a disaster?



Pre-Disaster Strategic Planning

Step 4: Develop action strategies

Based on scenarios and vulnerabilities, develop an action plan with strategies, resources, stakeholder duties, and suggested timelines - both short- and long-term



Pre-Disaster Strategic Planning



Step 5: Develop a communications plan and compile contact information

Simple, yet essential task

Disrupted communication networks and a high degree of uncertainty post-disaster can create rumors and misinformation

We will cover crisis communications this afternoon.



Pre-Disaster Strategic Planning

Step 6: Determine funding sources

A variety of resources exist for humanitarian relief and housing -- but resources for business recovery are sometimes scarce

Explore and compile all potential federal, state, and local sources

In many cases, perceived lack of funding is due simply to a failure to ask



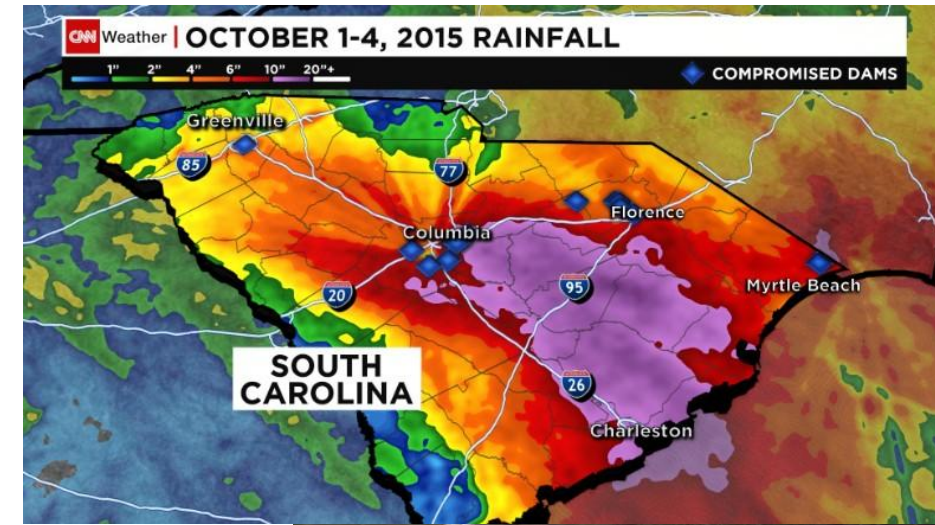
Pre-Disaster Strategic Planning

Step 7: Integrate the plan with other relevant plans

- Though the pre-disaster economic preparedness plan is part of the larger comprehensive planning effort, it should be linked with other community plans
- Your leadership role: You must formally adopt the plan to increase awareness and ensure implementation



Best Practice Example: Myrtle Beach, SC Pop. 29,175



- The city had been hit by 2 hurricanes in 100 years
- Yet for several years, they have hosted the annual Myrtle Beach Area Business Disaster Recovery Symposium
- **Mayor John Rhodes** personally invited businesses to join city and county emergency management officials, chambers of commerce and others.
- Brought in speakers from Joplin, MO and Seaside Heights, NJ to talk about their recovery .
- October 5, 2015 Hurricane Joaquin brought a 1,000 year flood.



Action Steps for Post- Disaster Recovery

Conduct a post-disaster economic impact study

The community should perform an independent economic impact assessment immediately after a major disaster, even though FEMA will perform its own assessment

This impact study should be conducted as quickly as possible. A more detailed economic analysis can be completed later.

An economic impact study assesses physical damage (properties, inventory, etc.) and economic damage to industry and the local economy



Post-Disaster Strategic Planning

Impact study should measure the following:

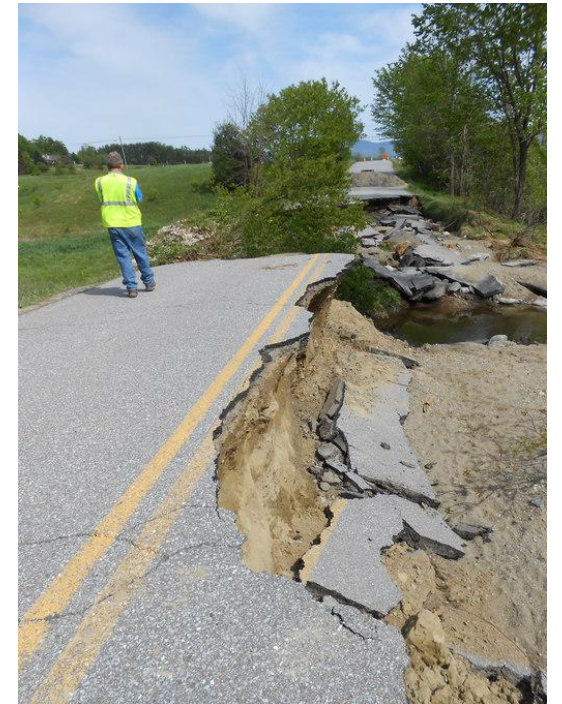
- Tax revenue loss (sales, property, employment)
- Job loss
- Loss of wages
- Business closures and interruption (loss of productivity)
- Economic recovery barriers



Disaster Impact

Impact study should measure the following:

- Impacts to economic development investments
- Damage to infrastructure
- Damage to property (commercial, industrial, residential)
- Damage to natural resources



Disaster impact

Third party assessments

It's sometimes beneficial to have third party conduct analysis, because of:

- Limited local capacity
- Assurance of a faster process
- Need for unbiased perspective



Post-Disaster Recovery

It's important that all stakeholders understand the findings of the economic analysis

A deep understanding of the current situation and the long-term vision for the community will provide critical insight



Post-Disaster Recovery

Establish an economic recovery team

Just as you might appoint a disaster recovery coordinator who will oversee health and safety issues, it is a good idea to appoint someone who will head up the economic recovery.

Your economic development organization – whether government or private, such as a Chamber can fulfill this role.



Post-Disaster Recovery

Organize and invite key stakeholders

- Chamber of commerce
- Representatives of businesses, large and small
- Small business center or incubator
- Industry associations
- Downtown organizations
- Shopping center representatives



Post-Disaster Recovery

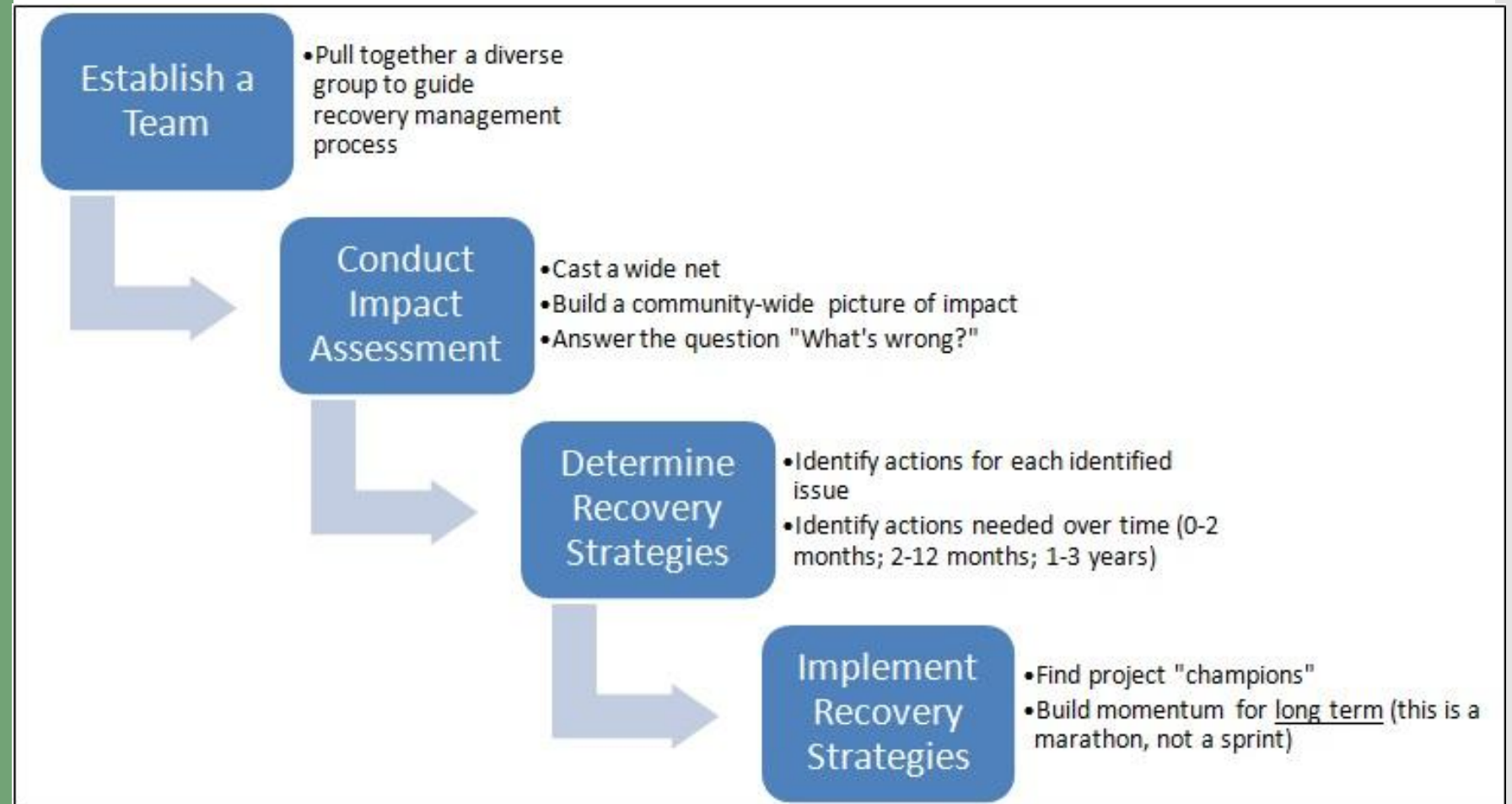
Identify roles and responsibilities of economic recovery stakeholders

Every stakeholder should have a clearly defined function
(short- and long-term)

Assess each stakeholders' capacity and resources to
ensure they are able to complete tasks



Summary of Post-Disaster Recovery Action Steps



Questions?

